

## **DEPARTMENT OF WORKFORCE DEVELOPMENT**

### **WORKFORCE ATTACHMENT AND ADVANCEMENT (WAA) PROGRAM REPORT TO JOINT COMMITTEE ON FINANCE**

**March 1, 2001**

Pursuant to Joint Committee on Finance Motion 5010, adopted at the December 21, 1999 s. 13.10 meeting of the Committee, the Department of Workforce Development (DWD) respectfully submits this report on the Workforce Attachment and Advancement (WAA) program to the Committee.

Joint Finance Motion 5010 required:

- That DWD develop a methodology to track the impact of WAA on participants' earnings.
- That DWD submit that methodology to the Joint Committee on Finance by March 1, 2000.
- That DWD submit a report to the Joint Committee on Finance by March 1, 2001 which includes information gathered by the Department regarding these performance measures.

DWD submitted the required report on methodology in a February 29, 2000 letter (attached) from Secretary Linda Stewart to Senator Brian Burke and Representative John Gard. That letter included an analysis of the potential data sources the Department could use to measure the earnings impact. The letter also listed the information that DWD would provide in this March 1, 2001 report and indicated that specific data on participant earnings, a focal point in Motion 5010, would not be available at this time due to necessary computer programming and limitations of the data sources. Information not included in this report that was required in Motion 5010 will be provided to the Committee later this year. A timeline is provided under the Performance Standards section of this report.

#### **Background**

1999 Wisconsin Act 9 established the WAA program as a two-year program, with a contract from January 2000 through December 2001. The program, funded through the Temporary Assistance for Needy Families (TANF) block grant, allocates \$19.7 million to Workforce Development Boards (WDBs) and Wisconsin Works (W-2) Agencies to provide services to TANF-eligible custodial and noncustodial parents (NCPs) with incomes below 200 percent of the federal poverty level. Based on expenditure information reported in the fourth quarter of calendar year 2000, most agencies will have spent their WAA allocation by the end of the contract period.

This report provides a description of the work plan for developing and implementing the performance standards established in 1999 Wisconsin Act 9. This report also provides

qualitative information on the impact on the program, including program success stories and services to employers.

The WAA program provides the following services: training to incumbent workers, job retention services, services to employers, job readiness and placement, and basic skills development. WAA participant information and performance standards are tracked on the Client Assistance for Re-employment and Economic Support System (CARES). The performance standards for WAA are job placement, job retention rates, increased earnings and increased child support collections for noncustodial parent (NCP) participants.

### **Program Innovations**

The WAA program has several unique features. First, the program offers a broad range of services and a flexible structure for delivering those services. At the local level, the program is delivered through both W-2 agencies and WDBs, and these agencies have worked closely to coordinate service delivery, and in some cases to deliver services jointly.

The WAA program is also innovative in that it unifies the workforce development and welfare systems. According to a recent study by the Corporation for a Skilled Workforce, workforce development and welfare systems continue to operate distinctly from one another in many parts of the Midwest. In Wisconsin, the WAA program brings these two entities together at the state and local levels.

DWD has actively encouraged the coordination between workforce development and economic support programs. The W-2 program, for example, operates through the Job Center system. The WAA program has further advanced this joint planning. The recent merger between the Divisions of Economic Support and Workforce Excellence represents a new and major step in DWD's efforts to integrate low-income workers into Wisconsin's workforce development system.

Another important feature of WAA is the employer services component. WAA provides the flexibility to meet local employers' needs for skilled employees by developing and providing job-specific training and skills development, also known as "incumbent work training." WAA providers tailor services to meet employers' specific needs. This combination of working with both employers and their employees is key to addressing the statewide shortage of skilled labor.

The final, and perhaps most important, feature of the WAA program is the focus on advancement and retention. Many other programs have job placement as their primary outcome, and they are limited in the amount of services they provide once a person begins working. WAA, however, complements existing programs by fulfilling the critical need of assisting participants in retaining their jobs, and in advancing to higher-wage positions.

## **Retention and Advancement**

This focus on retention and job advancement through the WAA program represents a shift in the focus of welfare reform efforts. Much emphasis has been placed on the success of Wisconsin's W-2 program in moving former welfare recipients into the labor market. The focus now has shifted to labor market stability for these former recipients, now members of the workforce. Wisconsin, a leader in welfare reform innovations, has again been at the forefront of this shift in developing the WAA program.

W-2 agencies have helped many participants transition to employment. However, many studies of participants who have made this transition have arrived at these conclusions: "getting into the labor market is not the same as staying in the labor market . . . and getting a job is not equivalent to achieving economic well-being or security." Many recent entrants into the labor market need support to maintain their employment and additional services to advance to higher wages.

The services available through the WAA program assist low-income families and NCPs in retaining jobs and in moving to higher-paying positions. WAA is critical to ensuring that former W-2 participants and low-income families move from welfare to stable employment and become self-sufficient.

The WAA program offers services not available through existing programs. The Welfare-to-Work (WtW) program also provides employment and training services for the low-income population. WtW is a federal program that allocates funds to WDBs to serve long-term TANF participants and NCPs of children receiving assistance. WtW providers, however, have not been successful in serving the large number of families in need of these services due to the strict federal requirements for eligibility and the requirements for matching funds, which the state passed to the local agencies.

## **Success Stories and Employer Services**

Many WAA program plans included creative options for providing training, retention services, and services to employers. In addition to the performance standards for individual participants, agencies track services to groups and employers through a quarterly report. Following are examples of employer services and success stories for the WAA program.

### ***Innovative Employer Services***

- **W-2 Southwest Consortium:** Iowa County developed a forklift certification training program that helped employers comply with state requirements, as well as provided WAA clients with marketable skills. Grant County Works' WAA program funded skills training for customer service positions at CompCare Blue, as well as stress management "Lunch and Learn" sessions for employees. Grant also sponsored a Supervisory Development Training series for employers with a mostly TANF-eligible workforce, focusing on the unique issues of the TANF-eligible population.

- **Shawano Job Center:** Shawano has provided on-going employer services, including a series of workshops, such as Inclusive Interviewing Techniques, Team Dynamics, Communicating Corporate Culture to New Employees, and many others. The participating employers commented that they are better able to understand the TANF-eligible population and the issues they encounter. Shawano County is now focusing on serving the TANF-eligible employees within the employers' workforces.
- **Dane County:** WAA funds an Occupational Skills Instructor who works directly with employers to develop training curriculum for entry-level positions. The training is then offered to TANF-eligible individuals. This program helps participants obtain meaningful training to boost their skills in needed areas. The types of training offered include Customer service/Bank Teller Training, Math for Work, Business Writing and Computer Basics.
- **Marathon County:** WAA assisted an employer with recruitment, retention and orientation as part of the employer's plan to add 60 or more positions at starting wages from \$9.57 to \$11.50/hour. WAA offered intensive consultation to management (from CEO through supervisors) on effectively incorporating Southeast Asian employees into an existing workforce with little racial/ethnic diversity. The project is still operating, and approximately 50 employees were hired and retained 60 days or more.

### ***WAA Participant Success Stories***

- **Trempealeau County:** Western Dairyland worked with a man who could no longer maintain his employment as a logger due to a health condition. He was referred to DVR and in coordination was enrolled in truck driving school. He graduated and obtained employment with an annual salary of \$40,000.
- **Douglas County:** Northwest Wisconsin CEP worked with a young mother of three, referred by the W-2 program. At the time of referral to NWCEP she had 6 months of sobriety. NWCEP assisted by writing an on-the-job training contract, working in a green house, which offered her a living wage and benefits. The job fit her well, and she is now an excellent supervisor, as well as a good role model.
- **YW-Works:** YW-Works served a noncustodial parent Probation and Parole client, from the Department of Corrections. Prior to enrolling in WAA, the participant had filled out 50 applications without being accepted for employment. The participant enrolled in an employer-linked training through the Wisconsin Regional Training Partnership. Upon graduation, Huff Sports offered him a permanent position with a starting wage of \$8.50 an hour. He has been employed for more than 90 days, and began making regular child support payments for his 3 children.

### **Caseload Information**

DWD designed and implemented a significant modification to the CARES system to track WAA participants. This system is used to enroll participants, record

characteristics and track activities, events and employment over time. Most agencies began enrolling and serving participants in late summer, due to the time required for agencies to implement the program. The data below represents 4-5 months of actual program activity.

As of the end of December 2000 there were **1,117 WAA participants** (unduplicated) logged into the CARES system. This includes participants served by both W-2 agencies and WDBs.

**These participants have the following characteristics:**

<b>Workforce Development Area</b>	<b>Participants</b>
1. Southeast	258
2. Milwaukee	56
3. Waukesha Ozaukee Washington	117
4. Fox Valley	100
5. Bay Area	132
6. North Central	66
7. Northwest	23
8. West Central	39
9. Western	60
10. South Central	126
11. Southwest	140

<b>Gender</b>	Male	243
	Female	874
<b>Ethnicity</b>	American Indian/Eskimo	12
	Asian or Pacific Islander	11
	Black, Not of Hispanic Origin	317
	Hispanic Origin	27
	White	601
	Other or Unknown	149
<b>Age Group</b>	1-18 Years	3
	18-20 Years	84
	21-24 Years	188
	25-29 Years	234
	30-34 Years	203
	35-39 Years	179
	40-44 Years	138
	45-49 Years	61
	50-54 Years	19
	55-59 Years	6
60 Years or Over	2	

**Currently Active Participants**

The count of active participants as of December 31, 2000 is 835. This means that there were 282 participants who have already entered and left the program.

**The 835 active cases have the following characteristics:**

<b>Parent Type</b>	Custodial Parent	742
	Non-Custodial Parent	93
<b>Service Provider</b>	W-2 Agencies	250
	WDBs	266
	Combination	319

Of the 835 cases open on December 30, 2000, many were engaged in work preparation and work advancement activities. The most common WAA activities are listed below:

- Adult Basic Education
- Post Secondary Education, Less Than 2 Years
- Employment Search
- Employment Counseling
- Job Readiness/Motivation

- Job Skills Training
- Occupational Assessment
- Parenting/Life Skills
- Work Experience

## **Performance Standards**

### ***Background***

The Department incorporated the four standards from 1999 Wisconsin Act 9 (job placement, job retention rates, increased earnings and increased child support collections for NCPs) into contracts with the WAA agencies.

DWD has made significant progress in modifying the CARES system to track these performance standards. The CARES screens to collect WAA participant information were implemented in August 2000. DWD and CARES staff added new elements to the existing CARES screens for WAA to track the performance standards in late February 2001. DWD will work closely with local agencies to ensure they correctly enter the required data for each participant.

WAA is a flexible program, and we have encouraged agencies to use WAA funds to meet the needs of their local area. Because of this flexibility, some agencies may focus on certain categories of service, such as training, and may not provide other categories of services, such as job placement, which may duplicate existing programs. Therefore, it is difficult to establish benchmarks given the broad array of services provided around the state. DWD did not establish benchmarks for the WAA performance standards for this contract, but is considering it for the next contract. The focus of the WAA program differs from the focus of existing employment and training programs, therefore, we do not have sufficient program data upon which to base benchmarks for these standards.

### ***Definitions***

DWD has defined each of the four performance standards and has implemented these standards in the CARES systems. The standards are defined as follows:

1. Employment Placement for Unemployed Persons: Measure the percent of completed WAA episodes where the participant entered as unemployed and exited the program employed.
2. Job Retention: Measure the percent of completed WAA episodes where the participant entered as employed and was still employed at program exit.
3. Increased Earnings: This measure will be split into two categories. a) For those participants unemployed at program entry, measure the average earned income if they leave the program employed. b) For those employed at entry, compare the average earned income at entry to the average earned income at program exit.
4. Increased child support collections for noncustodial parent participants: The increased child support collections standard will match child support collections

information from the KIDS system to noncustodial WAA participants who entered and left the program.

### ***Timeline for Performance Standards Reports***

For the first three of these standards, DWD will use the new elements that were added to CARES in February. These elements include the monthly earned income amount at entry to the WAA program and the monthly earned income amount at exit from the WAA program. The Department will produce an ad hoc report on placement, retention and earnings outcomes for the 2001-03 budget deliberations, no later than mid-May 2001.

Starting in July 2001, DWD and CARES staff will create routine reports on each of these three standards. Also, the Department will be able to provide quantitative analysis of the agencies' effectiveness in increasing participants' earnings based on the monthly reports that will become available in July 2001.

The child support collections measure will require additional time to see the impact of WAA on child support collections, thus the first report of this standard will be created at the end of March 2002.

DWD will track the standards statewide and by WAA agency (either WDBs or W-2 agencies), so that each agency will be able to gauge their performance in comparison to others. The first three performance standards will be measured Contract-to-Date, with the same contract period as the W-2 performance standards, 2000-2001.

In addition to the performance standards reports, DWD and CARES staff will create standard work program reports for the WAA program. These reports, also available in July 2001, will help agencies manage the program. The reports will include the following: counts of entered employments, 30-day and 6-month follow-up data, the movement of participants into and out of the program, and the history of participants' activities and events.

### **Methodology for Measuring WAA Participant Earnings**

DWD will use UI wage record data to create a longitudinal database of WAA participants that provides earnings data for the four quarters prior to the quarter in which the person enrolled in the WAA program, plus subsequent quarters. The average of the four prior quarters will be used as the base earnings amount and will be compared with the subsequent quarters to determine the change. DWD and CARES staff will create a new database for tracking the UI wage data for WAA participants. The new database will be created and loaded with UI wage data by the end of 2001. The first report using this data will be created during the first quarter of 2002.

This new database will include information for all of the work programs tracked in CARES: W-2, Food Stamp Employment and Training (FSET), WtW, Children First and WAA. This database will provide a powerful tool for DWD to analyze and compare the impact of these programs on participants' earnings.